

111TH CONGRESS
1ST SESSION

S. 1930

To amend the Internal Revenue Code of 1986 to enhance the administration of, and reduce fraud related to, the first-time homebuyer tax credit, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 26, 2009

Mr. CASEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to enhance the administration of, and reduce fraud related to, the first-time homebuyer tax credit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Homebuyer Tax Credit
5 Oversight and Accountability Act of 2009”.

6 **SEC. 2. PROVISIONS TO ENHANCE THE ADMINISTRATION**
7 **OF THE FIRST-TIME HOMEBUYER TAX CRED-**
8 **IT.**

9 (a) AGE LIMITATION.—

1 (1) IN GENERAL.—Subsection (b) of section 36
 2 of the Internal Revenue Code of 1986 is amended by
 3 adding at the end the following new paragraph:

4 “(3) AGE LIMITATION.—No credit shall be al-
 5 lowed under subsection (a) with respect to the pur-
 6 chase of any residence unless the taxpayer has at-
 7 tained age 18 as of the date of such purchase. In
 8 the case of any taxpayer who is married (within the
 9 meaning of section 7703), the taxpayer shall be
 10 treated as meeting the age requirement of the pre-
 11 ceding sentence if the taxpayer or the taxpayer’s
 12 spouse meets such age requirement.”.

13 (2) CONFORMING AMENDMENT.—Subsection (g)
 14 of section 36 of such Code is amended by striking
 15 “subsections (c) and (f)(4)(D)” and inserting “sub-
 16 section (b)(3), (c), and (f)(4)(D)”.

17 (b) DOCUMENTATION REQUIREMENT.—Subsection
 18 (d) of section 36 of the Internal Revenue Code of 1986
 19 is amended by striking “or” at the end of paragraph (1),
 20 by striking the period at the end of paragraph (2) and
 21 inserting a comma, and by adding at the end the following
 22 new paragraphs:

23 “(3) the taxpayer fails to attach to the return
 24 of tax for such taxable year a properly executed copy

1 of the settlement statement used to complete such
 2 purchase, or

3 “(4) the taxpayer fails to attach to the return
 4 of tax for such taxable year a certified statement of
 5 the taxpayer’s eligibility for the tax credit issued by
 6 the real estate reporting person (as defined in sec-
 7 tion 6045(e)(2)) with respect to such purchase.”.

8 (c) RESTRICTION ON MARRIED INDIVIDUAL ACQUIR-
 9 ING RESIDENCE FROM FAMILY OF SPOUSE.—Clause (i)
 10 of section 36(c)(3)(A) of the Internal Revenue Code of
 11 1986 is amended by inserting “(or, if married, such indi-
 12 vidual’s spouse)” after “person acquiring such property”.

13 (d) CERTAIN ERRORS WITH RESPECT TO THE
 14 FIRST-TIME HOMEBUYER TAX CREDIT TREATED AS
 15 MATHEMATICAL OR CLERICAL ERRORS.—Paragraph (2)
 16 of section 6213(g) of the Internal Revenue Code of 1986
 17 is amended by striking “and” at the end of subparagraph
 18 (M), by striking the period at the end of subparagraph
 19 (N) and inserting “, and”, and by inserting after subpara-
 20 graph (N) the following new subparagraph:

21 “(O) an entry on a return claiming the
 22 credit under section 36 if—

23 “(i) the Secretary obtains information
 24 from the person issuing the TIN of the
 25 taxpayer that indicates that the taxpayer

1 does not meet the age requirement of sec-
 2 tion 36(b)(3),

3 “(ii) information provided to the Sec-
 4 retary by the taxpayer on an income tax
 5 return for at least one of the 2 preceding
 6 taxable years is inconsistent with eligibility
 7 for such credit, or

8 “(iii) the taxpayer fails to attach to
 9 the return the form described in paragraph
 10 (3) or (4) of section 36(d).”.

11 (e) EFFECTIVE DATE.—

12 (1) IN GENERAL.—Except as otherwise pro-
 13 vided in this subsection, the amendments made by
 14 this section shall apply to purchases after the date
 15 of the enactment of this Act.

16 (2) DOCUMENTATION REQUIREMENT.—The
 17 amendments made by subsection (b) shall apply to
 18 returns for taxable years ending after the date of the
 19 enactment of this Act.

20 (3) TREATMENT AS MATHEMATICAL AND CLER-
 21 ICAL ERRORS.—The amendments made by sub-
 22 section (d) shall apply to returns for taxable years
 23 ending on or after April 9, 2008.

24 (f) INVESTIGATION AND PROSECUTION; REPORT.—

25 The Commissioner of Internal Revenue shall take such

1 steps as are necessary to investigate and prosecute in-
 2 stances of fraud related to the first-time homebuyer tax
 3 credit under section 36 of the Internal Revenue Code of
 4 1986. The Commissioner of Internal Revenue shall pro-
 5 vide reports to Congress on the status of the investigatory
 6 and prosecutorial actions not later than 90 days after the
 7 date of the enactment of this Act, and quarterly there-
 8 after.

9 **SEC. 3. CERTAIN TAX RETURN PREPARERS REQUIRED TO**
 10 **FILE RETURNS ELECTRONICALLY.**

11 (a) IN GENERAL.—Subsection (e) of section 6011 of
 12 the Internal Revenue Code of 1986 is amended by adding
 13 at the end the following new paragraph:

14 “(3) SPECIAL RULE FOR TAX RETURN PRE-
 15 PARERS.—

16 “(A) IN GENERAL.—The Secretary shall
 17 require that any individual income tax return
 18 prepared by a tax return preparer be filed on
 19 magnetic media if—

20 “(i) such return is filed by such tax
 21 return preparer, and

22 “(ii) such tax return preparer is a
 23 specified tax return preparer for the cal-
 24 endar year during which such return is
 25 filed.

1 “(B) SPECIFIED TAX RETURN PRE-
 2 PARER.—For purposes of this paragraph, the
 3 term ‘specified tax return preparer’ means, with
 4 respect to any calendar year, any tax return
 5 preparer unless such preparer reasonably ex-
 6 pects to file 100 or fewer individual income tax
 7 returns during such calendar year.

8 “(C) INDIVIDUAL INCOME TAX RETURN.—
 9 For purposes of this paragraph, the term ‘indi-
 10 vidual income tax return’ means any return of
 11 the tax imposed by subtitle A on individuals, es-
 12 tates, or trusts.”.

13 (b) CONFORMING AMENDMENT.—Paragraph (1) of
 14 section 6011(e) of the Internal Revenue Code of 1986 is
 15 amended by striking “The Secretary may not” and insert-
 16 ing “Except as provided in paragraph (3), the Secretary
 17 may not”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to returns filed after December 31,
 20 2010.

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